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**FOR IMMEDIATE RELEASE**  
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## **March Revenues**

**Nashville** – On an accrual basis March is the eight month in the 2004-2005 fiscal year. Department of Revenue tax collections were \$720.5 million.

March revenues were \$14.8 million less than the budgeted estimate, Finance and Administration Commissioner Dave Goetz announced today. The general fund had a \$7.9 million undercollection and the four other funds undercollected by \$6.9 million.

Sales tax collections were \$14.8 million more than the estimate in March. For eight months revenues are undercollected by \$72.4 million. The March growth rate was 6.94%. Year-to-date growth was 4.36% or 0.56% less than the budgeted estimate for the year.

Franchise and excise taxes combined were \$24.7 million less than the estimate of \$128.9 million. For eight months revenues are \$103.4 million overcollected which is \$9 million more than an alternative estimating model indicates. April collections, which typically are 25% or more of total annual collections, reflect the annual tax returns from calendar year filers. April collections will be a more accurate indicator of overcollections for the fiscal year.

Gasoline taxes and motor vehicle registrations were \$8.3 million less than the budgeted estimate of \$87.8 million.

Year-to-date collections for eight months are \$32.7 million more than the budgeted estimate. The general fund, because of franchise and excise tax collections, is overcollected by \$41.7 million and the four other funds are undercollected by \$9.1 million.

The budgeted revenue estimates and the revised estimates presented in the new budget document are the same in total revenue and general fund revenue. The individual estimates are different. The revised estimates assume a \$65 million shortfall in sales tax collections, a surplus of \$60.4 million in franchise and excise taxes, and a surplus of \$4.6 million in all other taxes when compared with budgeted estimates for the full fiscal year.

The budgeted revenue estimates are based upon the State Funding Board's consensus recommendation adopted by the second session of the 103<sup>rd</sup> General Assembly in May of last year.

<p align="center"><b>REVENUE COLLECTIONS</b></p> <p align="center"><b>MARCH, 2005, AND 8 MONTHS YEAR-TO-DATE</b></p>
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**March Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$610,012,000	\$602,099,000	(\$7,913,000)
Highway Fund	53,629,000	47,724,000	(5,905,000)
Sinking Fund	20,127,000	20,245,000	118,000
City & County Fund	49,427,000	48,689,000	(738,000)
Earmarked Fund	2,159,000	1,782,000	(377,000)
<b>Total</b>	<b>\$735,354,000</b>	<b>\$720,539,000</b>	<b>(\$14,815,000)</b>

**Year-To-Date Collections:**

	<b>Budgeted Accrual Estimate</b>	<b>Actual</b>	<b>Difference</b>
General Fund	\$4,868,622,000	\$4,910,298,000	\$41,676,000
Highway Fund	416,318,000	413,266,000	(3,052,000)
Sinking Fund	164,071,000	163,574,000	(497,000)
City & County Fund	428,620,000	424,978,000	(3,642,000)
Earmarked Fund	20,324,000	18,494,000	(1,830,000)
<b>Total</b>	<b>\$5,897,955,000</b>	<b>\$5,930,610,000</b>	<b>\$32,655,000</b>

Table 1  
Tennessee Department of Revenue  
Comparative Statement of Collected Revenues

Class of Tax	March			
	2004	2005	Change	Percent
Franchise & Excise	\$102,207,000	\$104,182,000	\$1,975,000	1.93%
Income	10,442,000	11,747,000	1,305,000	12.50%
Inheritance & Estate	4,094,000	7,563,000	3,469,000	84.73%
Gasoline	42,691,000	39,488,000	-3,203,000	-7.50%
Petroleum Special	4,509,000	4,338,000	-171,000	-3.79%
Tobacco	9,824,000	7,761,000	-2,063,000	-21.00%
Beer	1,276,000	1,484,000	208,000	16.30%
Motor Vehicle Registration	24,292,000	25,032,000	740,000	3.05%
Motor Vehicle Title	1,113,000	1,100,000	-13,000	-1.17%
Mixed Drink	3,476,000	3,678,000	202,000	5.81%
Business	1,724,000	2,688,000	964,000	55.92%
Privilege	15,290,000	14,244,000	-1,046,000	-6.84%
Gross Receipts	26,000	71,000	45,000	173.08%
TVA - In Lieu of Tax Payments	16,755,000	18,011,000	1,256,000	7.50%
Alcoholic Beverage	2,708,000	2,833,000	125,000	4.62%
Sales and Use	435,300,000	465,517,000	30,217,000	6.94%
Motor Vehicle Fuel	14,938,000	10,675,000	-4,263,000	-28.54%
Severance	43,000	126,000	83,000	193.02%
Coin-operated Amusement	7,000	1,000	-6,000	-85.71%
<b>Total</b>	<b>\$690,715,000</b>	<b>\$720,539,000</b>	<b>\$29,824,000</b>	<b>4.32%</b>

Table 2  
Tennessee Department of Revenue  
Comparative Statement of Collected Revenues

Class of Tax	August - March			
	2003-2004	2004-2005	Change	Percent
Franchise & Excise	\$578,615,000	\$694,761,000	\$116,146,000	20.07%
Income	23,752,000	23,490,000	-262,000	-1.10%
Inheritance & Estate	66,190,000	55,561,000	-10,629,000	-16.06%
Gasoline	396,528,000	399,563,000	3,035,000	0.77%
Petroleum Special	41,093,000	41,724,000	631,000	1.54%
Tobacco	79,047,000	75,193,000	-3,854,000	-4.88%
Beer	11,457,000	11,417,000	-40,000	-0.35%
Motor Vehicle Registration	139,500,000	149,834,000	10,334,000	7.41%
Motor Vehicle Title	7,361,000	7,493,000	132,000	1.79%
Mixed Drink	26,670,000	27,970,000	1,300,000	4.87%
Business	8,725,000	11,272,000	2,547,000	29.19%
Privilege	146,401,000	150,453,000	4,052,000	2.77%
Gross Receipts	10,102,000	13,144,000	3,042,000	30.11%
TVA - In Lieu of Tax Payments	135,372,000	142,778,000	7,406,000	5.47%
Alcoholic Beverage	24,006,000	24,702,000	696,000	2.90%
Sales and Use	3,822,080,000	3,988,741,000	166,661,000	4.36%
Motor Vehicle Fuel	113,148,000	111,498,000	-1,650,000	-1.46%
Severance	671,000	951,000	280,000	41.73%
Coin-operated Amusement	120,000	65,000	-55,000	-45.83%
<b>Total</b>	<b>\$5,630,838,000</b>	<b>\$5,930,610,000</b>	<b>\$299,772,000</b>	<b>5.32%</b>

**Table 3**  
**August - March Revenue Overcollections/(Undercollections)**  
**Budgeted Estimate**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
Sales Tax	\$ (69,200,000)	\$ (3,200,000)	\$ (72,400,000)
Income Tax	1,300,000	400,000	1,700,000
Inheritance Tax	3,900,000	0	3,900,000
Privilege Tax	(500,000)	(1,800,000)	(2,300,000)
Gasoline & Motor Vehicle Registration	1,000,000	(7,500,000)	(6,500,000)
Other Taxes	1,800,000	3,100,000	4,900,000
<b>Sub-Total</b>	<b>\$ (61,700,000)</b>	<b>\$ (9,000,000)</b>	<b>\$ (70,700,000)</b>
F & E Taxes	103,400,000	0	103,400,000
<b>Total</b>	<b>\$ 41,700,000</b>	<b>\$ (9,000,000)</b>	<b>\$ 32,700,000</b>